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March 9, 2005

Ms. Emily S. DeRocco
Assistant Secretary
U.S. Department of Labor
Employment and Training Administration
200 Constitution Avenue NW
Washington, D.C. 20210

Dear Ms. DeRocco:

The Employment Security Commission is the administrative entity for WIA in South Carolina. The Department of Labor granted the State a waiver of the requirement that performance items be submitted and met for the subsequent eligibility of training provider programs/courses. This letter is to request an extension of the waiver from 6/30/05 until 6/30/06 to allow additional time to address barriers to system building and data acquisition in the State. Attached is the original 2002 waiver request. Following is progress towards goals in that request:

The State, local areas and training providers will collaborate and coordinate to develop systems for data collection, and/or determine alternative sources of substantially similar data

The State Workforce Investment Administrative Department (SWIAD) of ESC investigated collecting data for the Eligible Training Provider System from the automated Employment Tracking and Occupational Data System (ETROD.) SWIAD also discussed substantially similar forms of data with the South Carolina Commission on Higher Education. However, requirements governing confidentiality of student records in the Family Educational Rights and Privacy Act (FERPA) prevented further pursuit of both options.

The State and local areas implemented the Virtual One-Stop System (VOS), a web-based intake, case management and reporting system for WIA in October of 2002. SWIAD launched a new Provider Performance Report this year using student/provider performance data from the system. The report provides local areas with an important new tool for evaluating provider performance. A consumer report component of VOS is planned which will also further our data collection capabilities for program/course performance information.

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The waiver will allow additional time for training providers to compile the required data

Many providers indicate that the collection of “all students” data is not cost effective for them. Many technical colleges and universities do not have the manpower to develop systems to obtain the data needed for the Eligible Provider System. The schools situation has been aggravated in recent years by substantial state budget reductions. As mentioned above, the schools also have expressed concerns with confidentiality and FERPA. Nevertheless, providers participated this year in a SWIAD pilot project in three local areas to review and update performance data. The pilot was successful and is now being implemented statewide.

We will continue to encourage collection of performance data, but do not want to remove a viable training provider from the State list solely for this reason.

WIA participants to enter and exit the system to produce WIA student data

The VOS student database has continued to grow as more participants move through the system, resulting in additional data for course/program evaluation. Previous gaps in retention data have virtually been eliminated through extensive collection of follow up information. The new Provider Performance Report uses this extended data base.

Performance levels to be brought up for new and existing programs

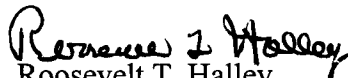
Since the collection of “all students” data is not complete, it is difficult to determine performance levels for some training providers. However, pending this waiver, LWIAs continue to submit any partial data available to aid in better determining performance levels. In regard to WIA student data, performance levels appear to be improving as more WIA participants are included in the performance calculations.

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We have made significant improvements to our Eligible Training Provider System this year. South Carolina's List of 3608 programs/courses offered by 163 providers in 218 locations enhances consumer choice. We will continue to collaborate and coordinate with local areas and training providers to serve the training needs of our existing and emerging workforce and further the success of workforce development in the State.

Any questions concerning this request should be directed to Sam Jordan at (803) 737-2611 or email to sjordan@sces.org.

Sincerely,


Roosevelt T. Halley
Executive Director

RTT/jdb
ES-5
cc: Dr. Helen Parker

Attachment: Eligible Training Provider Waiver Request of March 14, 2002

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT:
SUBSEQUENT ELIGIBILITY OF TRAINING PROVIDERS

The South Carolina Employment Security Commission (SCESC), the State administrative entity for the Workforce Investment Act (WIA), is requesting a waiver until June 30, 2003, of the Eligible Training Provider List requirement for subsequent eligibility that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the List. This waiver is being requested to allow sufficient time to meet the data collection requirements. We understand the critical importance of performance information in meeting the WIA principles of consumer choice and provider accountability. In support of these principles, this waiver would permit us to continue to offer a wide variety of training programs to meet the workforce needs in our State, while striving to collect sufficient performance data to accurately reflect the quality of the programs being offered.

This waiver request is being written in the format identified in Section 189(i)(4)(B) of the Act and Section 661.420 (c) of the Regulations.

A. **Statutory Regulations to be Waived:** WIA Section 122(c)(5) and WIA Regulations 663.535(c)(1) and (2) stipulate that Providers must annually submit performance information as described at WIA Section 122(d)(1) and (2), and Providers and programs must annually meet the minimum performance levels described at WIA Section 122(c)(6).

B. **Goals to be Achieved by the Waiver:**

Allow sufficient time for:

- The State, local areas and training providers to collaborate and coordinate together to develop systems for data collection, and/or determine alternative sources of substantially similar data
- Training providers to compile the required data
- WIA participants to enter and exit the system to produce WIA student data
- Performance levels to be brought up for new and existing programs

C. **State or Local Statutory or Regulatory Barriers:** There are no State or local statutory or regulatory barriers to implementing the requested waiver.

D. **Description of Waiver Goal and Programmatic Outcomes:**

During Program Year 2000 (July 1, 2000 – June 30, 2001), South Carolina's 12 Local Workforce Investment Areas (LWIAs) issued 770 ITAs. For Program Year 2001 so far, the LWIAs have issued 792 ITAs. Currently, there are 81 training providers on the Eligible Provider List that offer 1611 programs/courses at 116 locations, which includes 15 out-of-state locations. The List is available on the Internet at www.sces.org/webwia/Providers/index.asp.

The majority of training providers on the Eligible Training Provider List requested extensions through 12/31/01, primarily because data was not available to meet subsequent eligibility requirements. Many providers do not have systems in place or manpower available to produce the required performance information in the specified timeframe. These include Continuing Education (CE) providers and short-term training providers, such as those who offer computer skills upgrading. Due to the enormity of these student populations, their transient nature, and the fact that continuation of these types of programs are justified more by cost-effectiveness of offering the courses than sufficient placement of the graduates, they are not required to collect performance data. However, these programs are viable sources of short-term training for many clients referred under WIA.

Also, programs should not be discounted that have had no WIA participants, or not enough time to exit WIA students to collect follow-up data for subsequent eligibility. Removing programs/courses from the List, because the provider is unable to produce sufficient data for subsequent eligibility would decrease our List by at least 50%. This would certainly go against the intent of WIA by severely limiting consumer choice in our State.

The waiver will allow additional time to develop systems for data collection, and explore alternative sources of data. The following measures have been taken toward the accomplishment of this goal:

- The State Workforce Investment Administrative Department (SWIAD) has established an ongoing dialogue with the Labor Market Information (LMI) division of SCESC, which manages the Employment Tracking and Occupational Data (ETROD) system. The purpose of these discussions has been to determine the feasibility of integrating the ETROD and Eligible Training Provider systems for data collection purposes. This is particularly promising in light of the pending implementation of the Virtual One-Stop (VOS) on-line reporting system in South Carolina. The VOS is scheduled for testing in April 2002, with full implementation by July 2002. VOS will facilitate the linkage of the ETROD and Eligible Training Provider systems.

The ETROD system was developed by LMI to evaluate data for follow-up at the conclusion of training. This follow-up information will come from a variety of informational sources, including the SCESC's wage records database (which covers 98% of the State's workforce). Other sources include comparable wage data in neighboring states, data on participants and completers from partner agencies and programs, and special surveys. With the availability of these varied and extensive sources, users of ETROD information can evaluate their programs more efficiently.

Currently, some of our technical colleges on the State List are using this service for a minimal fee per person. The data generated by ETROD does not include all the required performance items for subsequent eligibility. However, the data is substantially similar enough to make a determination.

- Prior to the implementation of WIA, as we were trying to define our system, we met with the Higher Education System (HES) to determine if the performance accountability information they collect on an ongoing basis could suffice as substantially similar to the required WIA data for program evaluation. Currently, we continue our discussions with HES to identify alternative data sources to avoid duplication of reporting by the training providers.

The waiver will allow additional time for training providers to compile the required data. During this time the State will be available to provide technical assistance to the LWIAs and training providers on methods of collecting data.

The waiver will allow additional time for WIA participants to enter and exit the system to produce WIA student data, and performance levels to be brought up for new and existing programs. The passage of time is needed to have an adequate sample of students to make an accurate evaluation of the quality of the program. South Carolina has been successful at recruiting training providers, evidenced by the substantial amount of programs included on the List. We would not want to limit customer choice by unfairly judging programs, because of a lack of participants.

Pending this waiver, we have requested LWIA administrators to submit any partial data available for training providers extended through December 31, 2002, that do not have all the required performance data for subsequent eligibility. We are also requesting a written justification for any missing data, and updated cost information if applicable.

E. Description of the Individuals Impacted by the Waiver:

All WIA customers will benefit from this waiver:

- WIA participants eligible for training will have more training programs and in-demand occupational choices available to them to meet workforce needs.
- Training providers will have additional time to collect data for evaluation, and serve WIA customers.
- LWIAs will be able to obtain additional data to more accurately determine the quality of the programs on the List for subsequent eligibility.
- Employers will be able to hire from a larger pool of individuals with occupational skills, which helps boost the overall economy of the area.

- The SWIAD will have additional time and data to determine continuous improvement strategies.

F. Description of the Process to Monitor Progress:

The SWIAD will monitor the progress being made towards the waiver goals on an ongoing basis. Data gaps can be identified through the collection of subsequent eligibility applications, and periodic review of the main computer database of information housed in the SWIAD. Letters of justification for the missing data from the LWIA will be reviewed, and their corrective plans followed up on to determine progress. Quarterly written progress reports can be provided if necessary.

G. Was this request discussed with the Local Boards?

The eligible training provider system is a standing agenda item on the LWIA administrators' monthly meetings, who in turn, report back to their Local Boards. Feedback from these discussions of the difficulties each area was having in producing all the required data for subsequent eligibility and their concerns of losing many viable training providers from the List prompted this waiver request.

H. What public input has been taken?

While there has been no formal solicitation of public input concerning this waiver, we believe that feedback elicited from the LWIA administrators' meetings indirectly satisfies this requirement.